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An Introduction to the Bureau of East-West Trade

U.S. DEPARTMENT OF COMMERCE
Domestic and International
Business Administration



An Introduction to the Bureau of East-West Trade

The Bureau of East-West Trade (BEWT) in the U.S. Department of Commerce promotes and assists the orderly development of nonstrategic trade with the centrally planned Socialist economies of the Soviet Union, Eastern Europe, and the People's Republic of China.

The Bureau's program is designed to counteract a quarter century of minimal East-West contact which has deprived most U.S. businessmen of experience in trading with highly centralized, State-controlled economies and their monopolistic foreign trade organizations.

The traditional U.S. controls over exports of products and technologies with national security, short supply, or foreign policy implications also are administered by the Bureau.

East-West Trade

The Bureau of East-West Trade helps American businessmen explore the Socialist markets and offers them continuing information, advice, and assistance with the unfamiliar aspects of East-West commercial undertakings. For example, the Bureau:

- provides market information and analyses, and reports on current trade opportunities in Socialist markets
- furnishes detailed information on how to establish a new trade relationship and assists, upon request, with specific transactions
- helps U.S. firms take part in trade fairs, exhibitions, technical seminars, and trade missions to acquaint Socialist country officials with their products
- issues current publications on Socialist trade practices and economic plans

The Bureau of East-West Trade provides staff support for the United States sections of the Joint Commercial Commissions with the various Socialist countries. These Commissions monitor overall trade relations and help resolve trade problems through government-to-government negotiation.

Bureau staff members work with the President's Committee on East-West

Trade Policy, which coordinates East-West trade initiatives with overall U.S. international economic policy.

The Bureau administers the Export Administration Act of 1969, as amended.

U.S. businessmen interested in East-West trade can obtain the following services from the Bureau:

Market Assessment and Economic Data Analysis

A Bureau team of international economists, statisticians, and market analysts collects, interprets, and disseminates up-to-date trade statistics and selected economic data on the Socialist countries.

These experts analyze the sales potential of selected American products in Socialist markets. They study other specific issues in trade between centrally controlled and free-market enterprises.

The studies, periodic publications, and more specialized information are available on request.

The analysis team also provides statistical information for use in developing policies for the expansion of East-West trade.

Business Assistance

The Bureau offers specialized services to U.S. firms in promoting and marketing their products in

Socialist countries, often on a case-by-case basis. For example, the Bureau can:

- arrange contacts between businessmen and appropriate Socialist officials
- provide general guidance on contract clauses that require careful attention
- supply official representation during negotiations between a U.S. firm and a Socialist purchasing organization, and perform follow-up services through the American Embassies and Consulates on company business initiatives
- help in obtaining necessary U.S. Government clearances

These services, which frequently involve techniques that differ from normal commercial practices, are provided by a staff composed of former businessmen with international trade backgrounds and experienced U.S. officials.

Information on major business opportunities in Eastern Europe, the U.S.S.R., and the People's Republic of China (PRC) is also disseminated by the Bureau to interested U.S. firms.

Specialized Geographic Assistance

Bureau specialists on the U.S.S.R., the People's Republic of China, and Eastern Europe follow and interpret

business trends and the trade environment in each of the centrally planned Socialist economies. Information on current developments is available to the American businessman.

Both the business assistance staff and the geographic specialists maintain close contact with U.S. Commercial Officers stationed in the Socialist countries. Using these contacts, staff members initiate and pursue official representation on behalf of U.S. business interests. The Bureau is also in touch with officials of the People's Republic of China Liaison Office, the Soviet Trade Representation, Amtorg Trading Corporation, and the commercial officials of other Socialist countries who are stationed in the United States.

Trade Promotion

The Bureau of East-West Trade offers U.S. firms opportunity to participate in a variety of promotional events to introduce Socialist officials to American products and American businessmen to Socialist markets.

For example, the Bureau has sponsored or helped arrange several types of trade missions to Socialist countries. Members of these missions confer with Socialist trade officials, and explore immediate and long-range opportunities for commercial development of product lines of mutual interest.

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**TRADE PROMOTION
DIVISION**

The Bureau sponsors and directs U.S. commercial exhibitions abroad. American firms are invited to take part in these events as well as in the large international trade fairs held regularly in many Socialist countries. Through Bureau efforts, an increasing number of American firms are taking part in Poland's Poznan Fair and Czechoslovakia's Brno Trade Fair, and in various international fairs in the Soviet Union and elsewhere.

As part of its promotional program, the Bureau administers the new U.S. East-West Trade Center in Vienna which provides on-the-spot information and technical services to American businessmen. The Bureau also works closely with the new U.S. Commercial Office in Moscow on trade promotion events in the Soviet Union.

Another Bureau project is the U.S. Trade Development Center in Warsaw, Poland, which provides market information to visiting Americans and aids them in making appointments with Polish trade officials. This office, like the Moscow Commercial Office, also serves as a market information source for Socialist officials.

East-West Trade Publications

A number of reports on the trading structure and workings of the centrally planned Socialist economies are generated by the Bureau and disseminated to the U.S. business community.

In addition to country background reports, selected market surveys, and analytical studies, the Bureau regularly issues the *Quarterly Report on Export Administration* and monthly summaries of the *U.S. Trade Status with Socialist Countries*, as well as a number of *Overseas Business Reports* that include summaries of the Five-Year Plans and various economic and trading data on the centrally planned economies by country or region.

Texts of the U.S.-Soviet Commercial Agreements, the U.S.-Polish Trade Accords, and other intergovernmental economic arrangements are issued as they are concluded. The Bureau also publishes reference brochures on the State Trading Organizations, translation services, and other subjects of interest to U.S. businessmen.

Periodically, the Bureau releases the results of its market research program in both detailed and summary form. These reports include *A Market Assessment for EDP Equipment in Czechoslovakia* and *A Market Assessment for Polymerization Processes and Related Production Equipment in the U.S.S.R.*

Liaison with U.S. Business Institutions

The Bureau maintains liaison with the principal U.S. business and nonprofit organizations involved in East-West trade. Liaison also is maintained with the Economic Councils established

between the various Chambers of Commerce in Eastern Europe and the Chamber of Commerce of the U.S.A.

Bureau activities are supported domestically by the Commerce Department's 42 District and Regional Offices.

The Bureau of East-West Trade assisted in the organization of the National Council for U.S.-China Trade, whose members are U.S. business and financial leaders, and it has a close relationship with the U.S.-U.S.S.R. Trade and Economic Council made up of U.S. businessmen and Soviet trade officials. Both councils work to accelerate the free flow of U.S.-Soviet trade on one hand and U.S.-P.R.C. trade on the other.

An Advisory Committee on East-West Trade has been organized. Its members, drawn from the U.S. private sector, represent a variety of industries. The Committee is a channel for Bureau dialogue with business and academic communities located throughout the country.

Joint Commercial Commissions

The Bureau of East-West Trade provides staff support and representation in the Joint Commercial Commissions established with the U.S.S.R., Poland, and Romania. These Commissions are the mechanisms for negotiation of government-to-government trade agreements. They

also are channels through which trading procedures are discussed and problems resolved at the policy-making and staff levels. The full memberships meet annually; the working groups meet as required to discuss specific trade issues.

Trade Policy Advice

The Bureau identifies trade policy issues, reviews present and proposed legislation affecting East-West trade, and advises the President's Committee on East-West Trade Policy. It also conducts studies of policy matters and maintains liaison with other government agencies and international research, financing, and technical organizations.

Export Administration

The Bureau, in addition to promoting the development of East-West trade, also regulates such trade in accordance with strategic, short-supply, and foreign policy considerations. These functions are performed by the Office of Export Administration, formerly the Office of Export Control.

The Bureau's Office of Export Administration has made a major reduction in its controls so that the entire range of U.S. controls on exports is very close to levels exercised by most other Western nations. Every

effort is being made to revise export control licensing procedures in ways that will minimize action delays without interfering with the making of proper decisions.

At the request of U.S. industries, Government-Industry Technical Advisory Committees (TAC) have been established to provide advice on groupings of commodities and technical data that require special evaluation for export control purposes. The committees focus on computer peripherals, components, and related test equipment; semiconductors; semiconductor manufacturing and test equipment; numerically controlled machine tools; computer systems; and electronic instrumentation and telecommunications. The committees and their subcommittees meet regularly to develop recommendations.



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